

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
GLOBIS CAPITAL PARTNERS, L.P., :
et al., :

USDC-14NY
DOCUMENT
ELECTRONICALLY FILED
DOC #: 10/23/14
DATE FILED: 10/23/14

: 13 Civ. 3385

:
Plaintiffs, :

: ORDER

- against - :

:
THE CASH STORE FINANCIAL SERVICES :
INC., et al., :

:
Defendants.

-----X
VICTOR MARRERO, United States District Judge.

On November 18, 2013, lead plaintiffs Globis Capital Partners, L.P. ("Globis") brought this consolidated class action against The Cash Store Financial Services, Inc. ("Cash Store"), Gordon Reykdal ("Reykdal"), Craig Warnock ("Warnock"), Nancy Bland ("Bland"), and Michael Shaw ("Shaw"), asserting violations of federal securities laws. (Dkt. No. 36). Subsequently, on January 20, 2014, defendants Cash Store, Reykdal, Warnock, and Shaw filed a Motion to Dismiss the Consolidated Class Action Complaint. (Dkt. No. 43). Also on January 20, 2014, defendant Bland separately filed a Motion to Dismiss the Consolidated Class Action Complaint. (Dkt. No. 40).

In previous correspondence, the parties had informed the Court about an agreement in principle they had reached through

mediation to resolve this action globally along with related litigation in Canada; about a bankruptcy petition filed by Cash Store in a Canadian court; and about a stay issued by the Canadian bankruptcy court of any proceedings involving Cash Store.

On October 21, 2014, the Court held a telephone conference with the parties to discuss the parties' mediation efforts, and the status of outstanding motions -- including Globis' Consolidated Class Action Complaint (the "Complaint") and the pending Motions to Dismiss. During the conference, the parties informed the Court that an external mediation session was scheduled for December 4, 2014. Additionally, Globis informed the Court that in the event the mediation session is unfruitful, Globis will likely seek to amend its complaint to include additional factual allegations and claims on behalf of additional parties.

Defense counsel also notified the Court that because of a conflict that recently emerged, the three individual defendants currently represented by Paul, Weiss, Rifkind, Wharton & Garrison LLP ("Paul, Weiss") are seeking substitute counsel, but that Paul, Weiss will continue to represent Cash Store. In respect of the pending Motions to Dismiss, defense counsel stated that the motions should remain open because of

the automatic stay they serve to trigger under the provisions of the Private Securities Litigation Reform Act, 15 U.S.C. § 78u-4.

In light of the ongoing mediation efforts, the likelihood that Globis will seek to amend the Complaint in the event the parties do not agree to a resolution in mediation, the anticipated substitution of counsel for the three individual defendants who jointly submitted a Motion to Dismiss with Cash Store, and the bankruptcy court stay of proceedings involving obligations of Cash Store, the Court is persuaded that the Motions to Dismiss as they now stand are likely to become moot, and thus any further consideration of them by the parties or the Court would not serve judicial economy or the administration of justice.

Accordingly, it is hereby

ORDERED that, on the Court's motion, the Motions to Dismiss of defendants The Cash Store Financial Services, Inc., Gordon Reykdal, Craig Warnock, Michael Shaw, and Nancy Bland (Dkt. Nos. 40 & 43) are dismissed without prejudice; and it is further

ORDERED that the automatic stay of further proceedings that is now in effect pursuant to the provisions of the Private Securities Litigation Reform Act shall remain in

effect pending the results of the parties' mediation described herein, or the filing by lead plaintiffs Globis Capital Partners, L.P. of an amended complaint.

SO ORDERED.

Date: New York, New York
 23 October 2014



VICTOR MARRERO
U.S.D.J.